

EXHIBIT 1

DEPOSITION TRANSCRIPT OF ADIL SHAFI (SELECTED EXCERPTS)

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

BRAINTECH, INC.,

CASE NO: 09-10454

Plaintiff/Counter-Defendant,

v

ADIL SHAFI,

Defendant/Counter-Plaintiff/
Third-Party Plaintiff,

v

FREDERICK WEIDINGER AND
BRAINTECH, INC.,

Third-Party Defendant/Counter-Defendant.

The Deposition of ADIL SHAFI,
taken before me, Susan M. Hans, CER 8085, on July 29, 2010, at 535
Griswold, Suite 1900, Detroit, Michigan, commencing at or about
9:50 a.m.

APPEARANCES:

BY: JAMES P. MURPHY, ESQUIRE

BERRY MOORMAN

535 Griswold, Suite 1900

Detroit, Michigan 48226

Appearing on behalf of the Plaintiff.

BY: GEOFFREY J. GREEVES, ESQUIRE

PILLSBURY, WINTHROP, SHAW, PITTMAN, LLP

2300 North Street, NW

Washington, DC 20037

Appearing on behalf of the Defendant, Frederick Weidinger and
Braintech, Inc.

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1 what I've already been saying about these different companies
 2 is the same. I met with top management. E-mails were
 3 exchanged. Paper was exchanged. If you want to ask specific
 4 dates, I don't have them, but they are available in these
 5 files. And there was no set time when we stopped. Like I
 6 said, Braintech came back with the best inducement, the best
 7 offer, the most, you know, glowing offer, and I went with
 8 Braintech. But I also had other options, and I worked with
 9 these companies. They knew me. I wasn't a stranger to them.
 10 I had worked with them. They knew of my record, my company's
 11 record. They had succeeded. They had made money. They had
 12 given orders to Shafi, Inc. I had viable options.
 13 Q Okay. So with regard to Utica, were they a creditor of Shafi,
 14 Inc. at the time of the --
 15 A Again, I don't recall the specifics. The characterization I'm
 16 giving you is very consistent. What I'm telling you is a very
 17 consistent story of these possible options. I'm telling you
 18 what I remember, and I'm telling you that I know that there
 19 were discussions. I know that there was interest. I know
 20 that they were very interested. But I will tell you that I do
 21 not recall exact dates. I don't recall exact documents. I
 22 don't recall exact document titles. I don't know exactly what
 23 spans they were, and I also cannot tell you what the last
 24 communication was because I don't remember those things.
 25 MR. GREEVES: Can you read back my question?

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1 Let's see if Mr. Shafi can answer it.
 2 (Whereupon at or about 11:05 a.m. the Court Reporter
 3 read back the previous question.)
 4 Q (Continuing by Mr. Greeves): That was my question; were they
 5 a creditor?
 6 A I answered it. I said I don't recall.
 7 MR. MURPHY: Let me just say just wait for a
 8 second or two because you are overlapping the end of his
 9 questions, just so we have a clean record.
 10 THE WITNESS: Okay.
 11 Q (Continuing by Mr. Greeves): Did you ever enter into a letter
 12 of intent or other MDA, any kind of formal what I'll call
 13 documentation of this desire to enter into a transaction with
 14 any of these three companies?
 15 A I do not recollect the exact titles of these documents.
 16 Q Did you ever engage legal Counsel with regard to any of these
 17 opportunities?
 18 A I do not believe so.
 19 MR. GREEVES: Let's go ahead and have marked
 20 the transaction documents.
 21 MR. MURPHY: Let's take a short break.
 22 (At or about 11:07 a.m., a short break was taken off
 23 of the record, Deposition Exhibit Number 1 was
 24 marked for identification, and the deposition
 25 resumed at or about 11:17 a.m.)

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1 MR. MURPHY: Mr. Shafi would like to make a
 2 clarification, before we recommence, on the record.
 3 MR. GREEVES: Okay.
 4 THE WITNESS: There were 83 boxes. I misspoke.
 5 Q (Continuing by Mr. Greeves): Mr. Shafi, when you say you
 6 misspoke, you told us you have a really good memory, right?
 7 A Hm-hmm.
 8 Q When you said 87, you meant to say 83? Or you just
 9 misremembered?
 10 A I thought there were 87, but there are really 83. We know the
 11 last box, and so we just verified that that last box is 83.
 12 Q Who is "we"?
 13 A Me.
 14 Q You know what the contents of the final box are. How do you
 15 know that?
 16 A Because I spent considerable amount of time on that box.
 17 Q And so you always remember the last one. That box is numbered
 18 83?
 19 A Yes.
 20 Q So the many occasions that you told us there were 87 boxes of
 21 documents we could plow through, what you meant to say is
 22 there are 83 boxes of documents --
 23 A Yes.
 24 Q -- that we can plow through? Did anybody else assist in
 25 preparing the 83 boxes of documents?

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1 A No.
 2 Q And what is it about box 83 that makes you remember that?
 3 A Box 83 contains a lot, if not all, of the orders that Shafi,
 4 Inc. received from many customers over the years; purchase
 5 orders from many reputable companies. As I mentioned before,
 6 there are hundreds of purchase orders worth millions of
 7 dollars in that box.
 8 Q Anything apart from that that makes you remember that as the
 9 final box?
 10 A That's the key thing that makes me recall that box.
 11 Q Okay. Mr. Shafi, what has been placed in front of you has
 12 been marked by the Court Reporter as Shafi 1. It is clipped.
 13 It's a rather large collection of documents, and we'll be
 14 spending some time looking through it. Why don't we start by
 15 having you turn the page there and tell us what you're able to
 16 identify of the first document that is in that collection?
 17 You can see -- Before you do that, Mr. Shafi, you'll see at
 18 the very top of the page it says on it, it has language, and
 19 then there is a header that says, "Page 1-of-47." As we go
 20 through these it will be helpful and we'll both be referring,
 21 hopefully, to those pages to allow us to quickly identify the
 22 page that we're talking about. Does that make sense?
 23 A Okay.
 24 Q What do you see? Not that page, but turn one page forward,
 25 sir. What do you see there in front of you, and are you able

<p>SHEET 39 PAGE 150</p> <p>150</p> <p>1 judgment against anybody in this case?</p> <p>2 A I already told you, I gave him a three percent stake in my new</p> <p>3 company in exchange for that debt. I told you earlier this</p> <p>4 morning.</p> <p>5 Q So beyond that, though, he has nothing to gain whether you win</p> <p>6 or lose this case?</p> <p>7 A No.</p> <p>8 Q Okay. Thank you, sir. Have you had discussions with any</p> <p>9 customers, contacts, or representatives of Shafi? If you can,</p> <p>10 turn to entry number 19, sir. It says, "Various customers,</p> <p>11 contacts and representatives of Shafi, Inc."</p> <p>12 A Yes.</p> <p>13 Q Have you had any contact with any of these people since you</p> <p>14 left the company? Let's start with the first one; Cognex,</p> <p>15 CPP.</p> <p>16 A Yes.</p> <p>17 Q What have you contacted them about?</p> <p>18 A Business, in general.</p> <p>19 Q Anything about Braintech?</p> <p>20 A Of course. Braintech is well-known to these companies, its</p> <p>21 situation, its problems, its lawsuits.</p> <p>22 Q So you discussed Braintech's problems and lawsuits with</p> <p>23 somebody at Cognex?</p> <p>24 A Yes.</p> <p>25 Q What did you discuss with them?</p>	<p>PAGE 152</p> <p>152</p> <p>1 A Siemens sold their vision interest to another company called</p> <p>2 Microscan. So Siemens vision is no longer Siemens. It's a</p> <p>3 different company now.</p> <p>4 Q Is it the same people?</p> <p>5 A The vision people are the same. Microscan, M-I-C-R-O-S-C-A-N,</p> <p>6 one word.</p> <p>7 Q So you refer to them here as Siemens, but you now know them to</p> <p>8 be Microscan?</p> <p>9 A Right. Siemens sold its vision unit to Microscan.</p> <p>10 Q All right. So have you had any discussions with Microscan</p> <p>11 since you left the company?</p> <p>12 A I think I may have. I don't recall exactly.</p> <p>13 Q In connection with anything to do with Braintech?</p> <p>14 A Of course. You can ask me about any of these companies and</p> <p>15 I'll give you the same answers like I gave you for Cognex.</p> <p>16 All of those companies know about Braintech's breaches. I've</p> <p>17 talked to all of them. They already know what's in the</p> <p>18 market, public knowledge, public domain, about Braintech's</p> <p>19 issues and problems. So there is no secrets here. I mean,</p> <p>20 what's publicly known out there is very well-known to this</p> <p>21 industry, and these are some of the people in this industry.</p> <p>22 Q Do you have any expectation of doing business with this</p> <p>23 company, Microscan?</p> <p>24 A Possibly.</p> <p>25 Q Have you had discussions with them about that?</p>
<p>PAGE 151</p> <p>151</p> <p>1 A The lawsuits. The poor situation of Braintech. Its inability</p> <p>2 to hold its agreements. Its breaches. It's common knowledge</p> <p>3 out there.</p> <p>4 Q Do you have any anticipation of any kind of business</p> <p>5 relationship between your new company and this entity, Cognex?</p> <p>6 A Possibly.</p> <p>7 Q What are you talking with them about?</p> <p>8 A Business opportunities, possibly.</p> <p>9 Q What does "possibly" mean?</p> <p>10 A "Possibly" means possibly.</p> <p>11 Q Why don't you tell us definitely what it is that you've talked</p> <p>12 with them about?</p> <p>13 A There is a likelihood of doing business with them.</p> <p>14 Q Were they on the list that you disclosed to Braintech in your</p> <p>15 A&A plan?</p> <p>16 A You would have to refer to that plan to see if they're</p> <p>17 mentioned in there.</p> <p>18 Q I'm just relying on your memory, sir.</p> <p>19 A I don't want to give you a wrong answer. If it's there,</p> <p>20 they're there. If they're not there, they're not there. You</p> <p>21 have the document with you.</p> <p>22 Q I'm just asking you from your memory, sir.</p> <p>23 A Yeah.</p> <p>24 Q It's not a quiz. It's just a question. About Siemens; have</p> <p>25 you had any discussions with them since you left Braintech?</p>	<p>PAGE 153</p> <p>153</p> <p>1 A I've had some discussions. I don't recall what the exact</p> <p>2 details are. It's been some time, and I can't give you any</p> <p>3 specifics.</p> <p>4 Q Have you generated any revenue from them?</p> <p>5 A No.</p> <p>6 Q PDSI; same question. Same answer?</p> <p>7 A Same answers.</p> <p>8 Q You've approached them since you left the company?</p> <p>9 A Hm-hmm.</p> <p>10 Q Were they identified or have any knowledge of whether they</p> <p>11 were one of the A&A targets?</p> <p>12 A If they're on that schedule, they are. If they're not on that</p> <p>13 schedule, they're not.</p> <p>14 Q Okay.</p> <p>15 A Plain and simple.</p> <p>16 Q Would your answer basically be the same with regard to all</p> <p>17 these companies?</p> <p>18 A Yes.</p> <p>19 Q Are you aware you signed a nondisparagement agreement as part</p> <p>20 of your package when you joined the company?</p> <p>21 A Yes.</p> <p>22 Q Do you believe you have honored that by having conversations</p> <p>23 with these companies about Braintech's breaches?</p> <p>24 A Because that agreement is null and void, no.</p> <p>25 Q That's your position, but I'm just asking.</p>



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Transcript of the Testimony of Adil Shafi

Date: October 22, 2010

Volume: III

Case: Braintech v. Shafi, et al.

Printed On: November 1, 2010

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<p>1 A Robotic Vision Tech is a very new thing. I don't think 2 I've talked to them about any of this. My discussion I 3 think have been before RVT was formed. And, of course, 4 there's a lot of disgruntled people about RVT, but, you 5 know, basically I didn't discuss RVT with them. That was 6 much afterwards. 7 Q Did you ever discuss Mr. Weidinger with any of these 8 individuals? 9 A Yes. 10 Q And what is it that you discussed with them? 11 A I said that I was fraudulently induced into selling my 12 companies, that I was defrauded, and that I was done a 13 great injustice, and that I fully seek to restore justice 14 to that. 15 Q So you told Erwin or Steve or Robin that Mr. Weidinger 16 committed a fraud on you? 17 A Yes. Yes, I told them that. 18 Q And what did they say about it? 19 A They didn't say anything. They just heard my side of the 20 story. 21 Q Did you share the complaint papers with them or did you 22 just tell them that -- 23 A No. 24 Q So can you recall -- tell me as best you can recall the 25 conversation about Mr. Weidinger that you had with him?</p>	<p>1 Q Okay. And where have those occurred? 2 A I know hundreds of companies and thousands of people in 3 the industry. I don't have a full list of who all I've 4 talked to, nor do I keep a record of such things, but, 5 you know, in my daily dealings with all the people I 6 know, if this topic comes up I do explain where I was, 7 what I went through, and where I'm going today. So yeah, 8 I do share this information with people. It's public 9 knowledge. It's public, um . . . This lawsuit is a 10 matter of public record. Braintech is a public company. 11 There's nothing secret or mysterious about it. 12 Q Right. 13 A So it's -- 14 Q So -- But my -- This is my question, sir: Have you told 15 these people that you sued Mr. Weidinger or have you told 16 them, "Mr. Weidinger defrauded me"? 17 A Well, there's several aspects to answer your thing. 18 First of all, Braintech filed the rescission lawsuit, 19 which I think was unfounded, which has been thrown out. 20 I countersued, with Mr. Murphy's help, a lawsuit against 21 Braintech and Mr. Weidinger personally on several counts, 22 various, and fraud is one of them. 23 Q Hm-hmm. 24 A There's several employment breaches. There's several 25 other breaches and there's several counts. One of those</p>
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<p>1 A Yeah. I just told them that I was de -- done a great 2 injustice in my career by this person, Mr. Weidinger, and 3 that, you know, I had a lawsuit against him personally 4 and his company, Braintech, which that part is no longer 5 around, but he is around as a person, and then that I was 6 fully prosecuting him to get justice. 7 Q Okay. You told him that you were prosecuting Mr. 8 Weidinger? 9 A Yeah. A counterclaim in federal court is a form of 10 prosecution. 11 Q I'm just ask -- I'm just -- 12 A Yeah. 13 Q I'm not arguing with you, sir. 14 A Yes. 15 Q I'm just asking for what -- 16 A Yeah. I told him I'm pursuing -- 17 Q -- as best you can recall exactly what you said. 18 A Yeah. I told him I'm prosecuting and pursuing a lawsuit 19 against Mr. Weidinger. 20 Q Have you had any other conversations with other business 21 people, business contacts of yours, relating to 22 Mr. Weidinger? 23 A At ABB or other places? 24 Q Other places. 25 A Yeah, I have.</p>	<p>1 counts is fraud. 2 Q Yeah. And so my question is have you told people that -- 3 all of what you just said to me or have you just told 4 them that Mr. Weidinger defrauded me? 5 A I've said some more abbreviated versions to others. I've 6 spoken in more details with others. I don't say the 7 exact same ten words to every custo -- to every person I 8 meet. Some people get a ten-word description. Other 9 people get a longer one. So, you know, it depends how 10 much time I have with such individuals. But, you know, 11 it's generally known what happened and I do share this 12 out there. 13 Q Oak. Generally known that -- So you've told people that 14 Mr. Weidinger defrauded you? 15 A Yes. I do. 16 Q And so to the extent that you're not correct about that, 17 do you take any responsibility for making a false 18 statement? 19 A That's your opinion. Not mine. 20 Q Well, what -- Let me ask you this: If your lawsuit is 21 thrown out, what will you do to untell these people that 22 Mr. Weidinger defrauded you? 23 MR. MURPHY: I'm going to object to the 24 foundation. It's pointless. 25 Q (Continuing by Mr. Greeves): What steps do you intend to</p>

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<p>1 take to fix the facts that you've given to people that</p> <p>2 Mr. Weidinger defrauded you?</p> <p>3 A I haven't crossed that bridge yet, and if that comes to</p> <p>4 pass, then I will consult with Mr. Murphy, my attorney,</p> <p>5 so.</p> <p>6 Q Have you told people not to do business with</p> <p>7 Mr. Weidinger?</p> <p>8 A No, I have not said that. I've just said what happened</p> <p>9 to me. I've told them what happened to me, you know, so</p> <p>10 that's -- and I've experienced it first hand, as you</p> <p>11 know, so I do share that. It's public knowledge.</p> <p>12 Q Well, I mean it's knowledge that is -- You mean the</p> <p>13 lawsuit is public knowledge.</p> <p>14 A Yeah. I mean the lawsuit that Braintech filed --</p> <p>15 Q Right.</p> <p>16 A -- is public knowledge. The counterclaim that I filed is</p> <p>17 public knowledge. Anybody who knows where to look can</p> <p>18 download the documents, the PDF files.</p> <p>19 Q Right. But you didn't give them that, right?</p> <p>20 A No, but people --</p> <p>21 Q You just told them what you thought it said.</p> <p>22 A It's a free country. It's a free world. People can go</p> <p>23 and get this off the internet. Now, I have shared with</p> <p>24 people what's in these documents and, you know, that's</p> <p>25 basically I'm just representing that I have told people I</p>	<p>1 A No.</p> <p>2 Q Okay. Where did the opportunity come from to do business</p> <p>3 with Robotechnology?</p> <p>4 A They contacted me.</p> <p>5 Q They contacted you?</p> <p>6 A Yes.</p> <p>7 Q Out of the blue?</p> <p>8 A Yes.</p> <p>9 Q How did they say they found you?</p> <p>10 A They know of my reputation.</p> <p>11 Q Okay. How did they say they -- How did they tell you</p> <p>12 that they found you?</p> <p>13 A Well, there's the internet. They've heard of my work in</p> <p>14 the past.</p> <p>15 Q Hm-hmm.</p> <p>16 A So they said they knew about me and that they knew I</p> <p>17 knew, you know, how to work with robots and machine</p> <p>18 vision, so they contacted me. Now, I didn't do, you</p> <p>19 know, due diligence to say, you know, what all documents</p> <p>20 did you read to kind of, you know, form an opinion to</p> <p>21 contact me? I didn't. They just said --</p> <p>22 Q Mr. Shafi, I'm just asking you if they told you we found</p> <p>23 you because X, Y, Z. That's it.</p> <p>24 A I'm trying to answer. I'm just trying to tell you that,</p> <p>25 you know, they said, "Look, we heard about you. We've</p>
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<p>1 have filed a claim, that claim does include fraud, that</p> <p>2 claim does include breaches, the claim is against</p> <p>3 Braintech and Mr. Weidinger.</p> <p>4 Q Hm-hmm.</p> <p>5 A You know, I share that because it's nothing different --</p> <p>6 it's nothing different -- nothing different from what's</p> <p>7 on the public record.</p> <p>8 Q But you've actually told people as a factual matter that</p> <p>9 Mr. Weidinger defrauded you?</p> <p>10 A I tell them it's my opinion that he defrauded me.</p> <p>11 Q You tell them it's your opinion that he did that?</p> <p>12 A Yeah, of course. And I feel that way.</p> <p>13 Q You always say that?</p> <p>14 A Yeah. I say he defrauded me. You know, I believe</p> <p>15 that's -- that's why I'm pursuing all this.</p> <p>16 Q All right. Okay. Let's just back up to one thing, and</p> <p>17 then I'll have to pass the deponent shortly.</p> <p>18 MS. KOVAL: It's 4:20. You're still good.</p> <p>19 MR. GREEVES: Hm-hmm?</p> <p>20 MS. KOVAL: It's only 4:20.</p> <p>21 Q (Continuing by Mr. Greeves): Let's see where we're at.</p> <p>22 What is the work that your company, Advenovation, is</p> <p>23 doing for Robotechnology?</p> <p>24 A We're doing, you know, same software and support work.</p> <p>25 Q And was Robotechnology previously a Shafi, Inc., client?</p>	<p>1 kind of saw your profile on the internet and so forth, so</p> <p>2 therefore, you know, we are contacting you." Now, I</p> <p>3 didn't go into, you know, great detail to say which</p> <p>4 website or which link or which paper or which magazine or</p> <p>5 which publication or which individual told you about me.</p> <p>6 I didn't go to that. I just took their word that they</p> <p>7 knew about me, heard about me, and wanted to talk to me.</p> <p>8 Q All right. How about -- And what is the volume of work</p> <p>9 that you've done for Robotechnology?</p> <p>10 A So far \$10,000 is a commitment they've made so far.</p> <p>11 Q They've not paid any money; they've just committed to</p> <p>12 paying?</p> <p>13 A Not yet.</p> <p>14 Q And what are they getting in exchange for the \$10,000?</p> <p>15 A They're getting some software and support.</p> <p>16 Q All right. And are you pursuing other business with</p> <p>17 them, as well?</p> <p>18 A Yeah. I mean like I said, my -- the characterization I</p> <p>19 have made in these engagements is that I'm focused on the</p> <p>20 here and now and the present and I'm not polling such</p> <p>21 customers for the entire breadth of what might be</p> <p>22 possible with them. I'm just focused on the short term</p> <p>23 to satisfy their immediate needs as they develop, and I'm</p> <p>24 sure the future will take care of itself through the work</p> <p>25 that I do.</p>

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